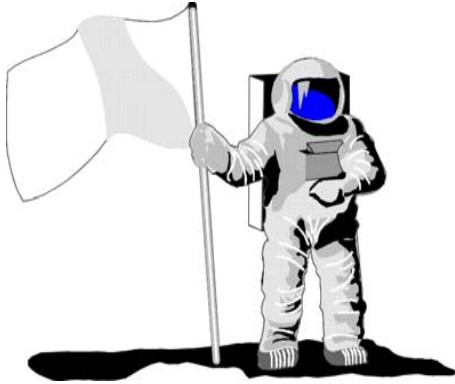

The Age of **Participation**: ***The New World of Work***

Pat McLagan

www.mclaganint.com

NASA Goddard Space Flight Center

10 June 2003



Great Transformations



Information

2XXX

1950 CE

Industrial

1700 CE

Agrarian

**3500
BCE**

**Hunting/
Gathering**

***Change is TRYING to
happen!!***

***Toward more OPEN
SYSTEMS ways of
working***

Thought Question.....

*What key questions/issues
do you hope we address
today?*

***Change is TRYING to
happen!!***

***Toward more OPEN
SYSTEMS ways of
working BUT....***

Change is SLOW: Kinds of Changes

%US, Europe/%Japan

- Operational decentralization (61/67)
- Project-based structures (42/49)
- Information systems (40/77)
- New HR practices (35/35)
- Alliances (31/35)
- Focus, core (25/35)
- Horizontal links (25/19)

+US more extreme restructuring!!

Change is SLOW!!!

- 11 of 1435 organizations - breakthrough
 - 65% of major organization changes fail; Executives consider 11% successful
 - 67% of total quality management programs die after two years
 - 30% of IT projects are cancelled; 50% overrun costs by over 200%
 - Employees' ratings of management change competence are about 33% overall
 - Management confidence in their own change capabilities is low
-

People Practices are Performance Key!!

1999 Financial Perf. r 2001 HCI Score:
.19

1999 HCI Score r 2001 Financial Perf.:
.41

Watson Wyatt 2001-2002 Report

From Watson Wyatt.....

People Practices and Total Shareholder Return

Low HCI (0-25) 21%

Med HCI (26-75) 39%

Hi HCI (76-100) 64%

Watson Wyatt 2001/2002 Report

What Practices Matter?

Dennis Kravetz (1988)...

| | Low Perf. | High Perf. |
|----------------------|--------------|---------------|
| People Culture | 20% | 90% |
| Participative Style | 4% | 70% |
| Performance Pay | 30% | 86% |
| Clear Employee Goals | 26% | 80% |
| Encourage Creativity | 10% | 62% |

Brookings (1990)...

Surveys of top employees and “Best Places to Work”



PAY IS NOT THE KEY ISSUE!

“Changing the way workers are treated is more important than changing the way they are paid.”

Ichniowski and Shaw (1995)...

42 Steel Production Lines

- 🔥 **Systems of participative practice, not isolated and disconnected practices, affect performance**
 - 🔥 **Unionization per se is not a factor**
 - 🔥 **High participation organizations (1st Quartile) are 7.5% more productive than 4th Quartile firms**
 - 🔥 **High participation organizations produced 13% better quality than low participation firms**
-

Herman Simon (1996)

- **Set clear, ambitious goals**
- **Define markets narrowly, but globally**
- **Become close to customers in performance and interaction**
- **They are continuously innovating**
- **Defend competitive position “ferociously”**
- **Focus on core competencies — outsource non-core**
- **Take on more work than people but create a challenging, motivating environment**
- **Firm in direction and values and participative in details**

Hidden Champions

Gallup (1999)....

| | C | Pf | Pd | T |
|------------------------------|---|----|----|---|
| Know what's expected | * | * | * | * |
| Do what I do best daily | * | * | | * |
| Recognition/praise | * | * | * | |
| Encourages development | | * | * | |
| Opinions count | | * | * | |
| Mission/purpose connection | | | * | |
| Colleagues commit to quality | | * | * | |
| Progress discussed in 6 mos | * | | * | |
| Opportunities to learn/grow | | * | | |

Customer Sat; Performance; Productivity; Turnover (staff)

Gallup Survey of 6,000 (2000)....

- **Front Line employees: hidden success factor**
 - **Lack of people skills hurts more than lack of technical knowledge**
-

Closed vs. Open System Management

1. Top down, parental entitlement
2. Boss as customer; upward looking
3. Avoids conflict; closed
4. Concentrates decision-making at the top
5. Budget is main control
6. Micro-management
7. Extrinsic/compliance
8. Management by back end /pay (push)
9. Perfection

1. Receivers: customers; outward-looking
2. Outward focused; Value Stream
3. Divergent views plus alignment; open
4. Pervasive Power and Accountability
5. Strategy is main control
6. Management by accountability
7. Intrinsic/commitment
8. Front end focused (pull)
9. Learning

Hierarchy: Love/Hate Relationship

The Hate

- **Enslave**
 - **Lost autonomy**
 - **Authoritarianism**
 - **Stymie innovation**
 - **Inhibit diversity**
 - **Vertical (power) vs. customer (service)**
-

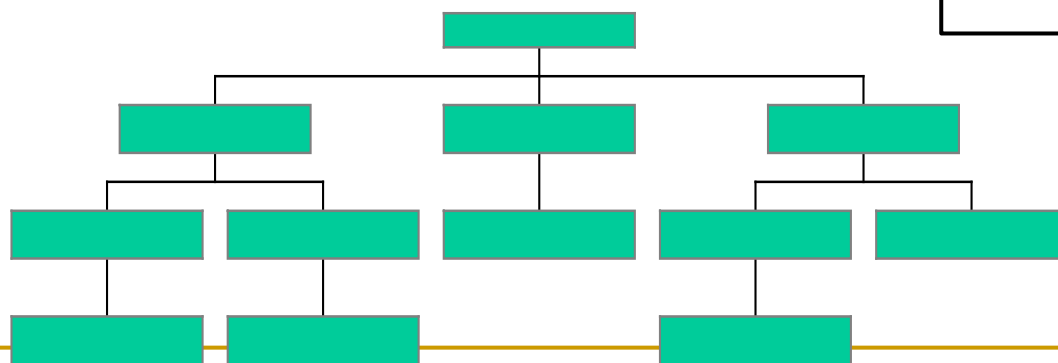
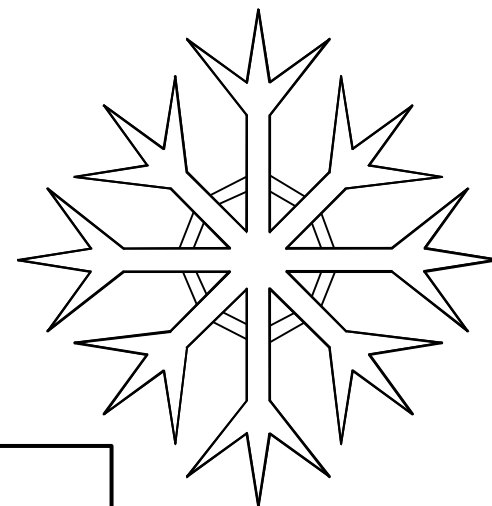
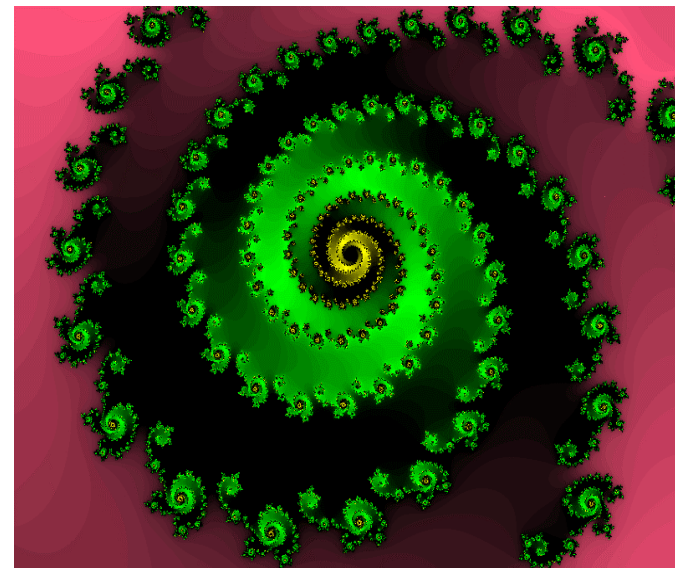
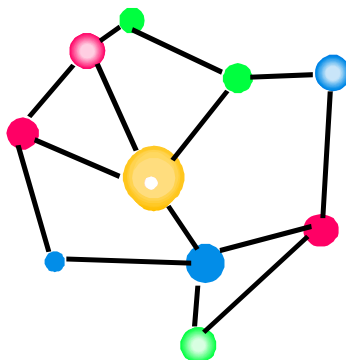
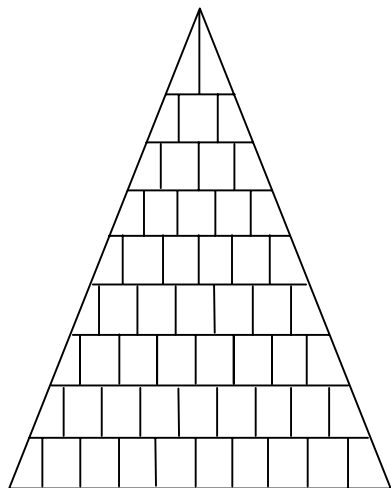
Hierarchy: Love/Hate Relationship

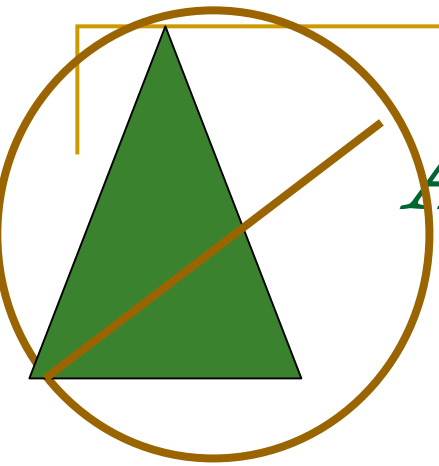
The Hate

- Enslave
- Lost autonomy
- Authoritarianism
- Stymie innovation
- Inhibit diversity
- Vertical (power) vs. customer (service)

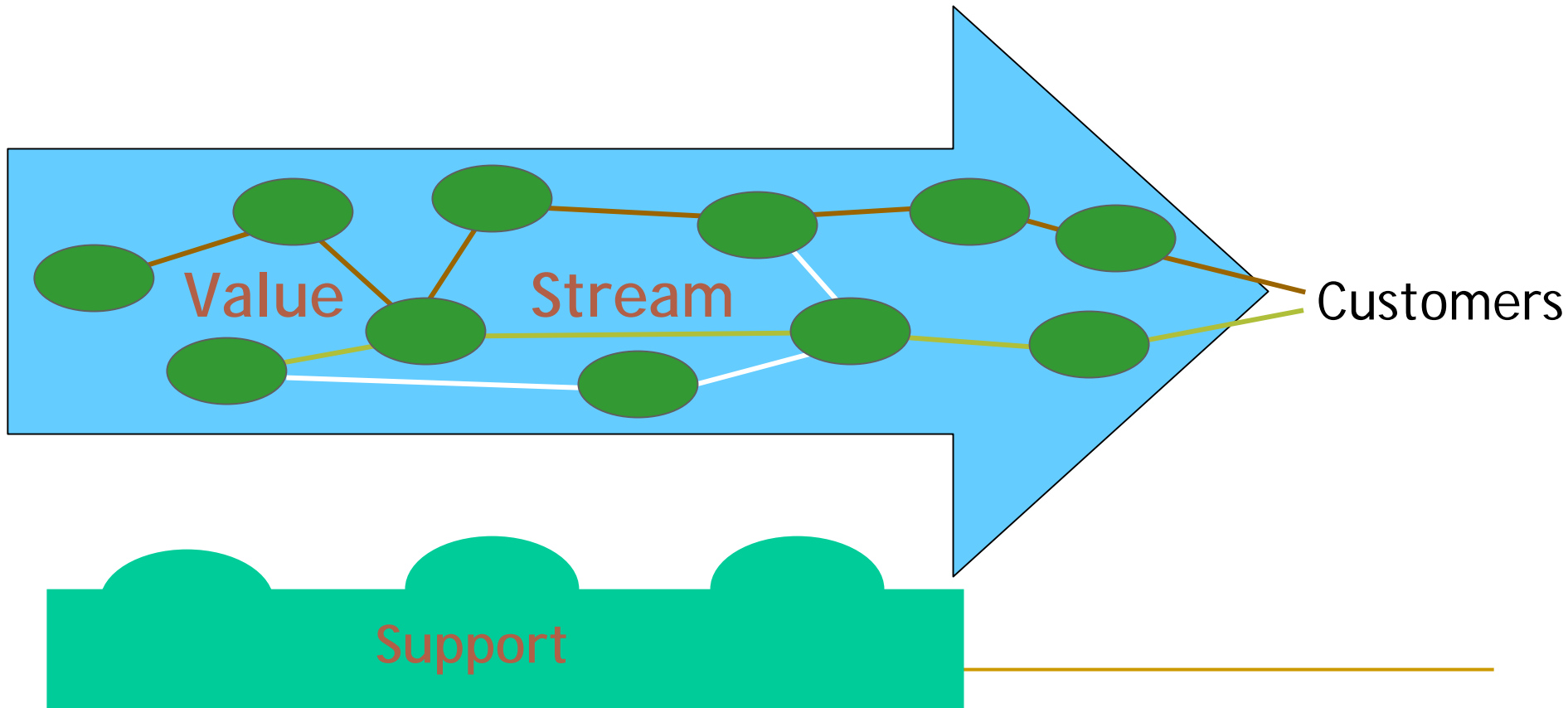
The Love

- Creates order
 - Allows big improvements
 - HR movement
 - Analytic movement
 - Hot groups
 - Processes complexity
 - Personal benchmarks
 - Defines us
 - Routines, duties, responsibility
-





A New Mindset....



5 Suggestions to shift your “culture:”

- **Adopt “partner” relationships**
 - **Professionalize management**
 - **Polish self-management skills**
 - **Use “partnership” management process**
 - **Know and Use Your Rank Wisely**
-

5 Suggestions to shift your “culture:”

- **Adopt “partner” relationships**

A KEY: Shift Relationship Patterns

■ Conflicted $1 + 1 = ?$

A KEY: Shift Relationship Patterns

- Conflicted $1 + 1 = ?$
- Dependent $1 + 1 = ?$

A KEY: Shift Relationship Patterns

- Conflicted $1 + 1 = ?$
 - Dependent $1 + 1 = ?$
 - Independent $1 + 1 = ?$
-

A KEY: Shift Relationship Patterns

- Conflicted $1 + 1 = ?$
 - Dependent $1 + 1 = ?$
 - Independent $1 + 1 = ?$
 - Partnership $1 + 1 = ?$
-

Where are YOUR Relationships?



Adversarial

$1+1=??$

Dependent

$1+1=??$

Independent

$1+1=??$

Partner

$1+1=??$

Improving Relationship Economics

- **What needs to happen to move relationships to the right?**
 - **How will you know it is happening?**
 - **What is the manager's role in making this happen?**
 - **What is the employee/contractor role in making this happen?**
-

5 Suggestions to shift your “culture:”

- **Adopt “partner” relationships**
 - **Professionalize management**
-

Three Managerial Roles

- **Architect**
- **Process Leader**
- **Performance Supporter**

PLUS

- **Expert Individual Contributor**
-

Architect: designing the context, culture, future, and architecture of the organization.

- Purpose/mission
 - Situation scan
 - Strategy
 - Knowledge management strategy
 - Organization design
 - Articulation of the future
 - Culture
 - Overall results: all stakeholders
 - Transformation agenda
 - Core KSC talent pool
 - National networks
 - Image
 - ?
-

Process Leader: making sure processes and systems bring the strategies to life.

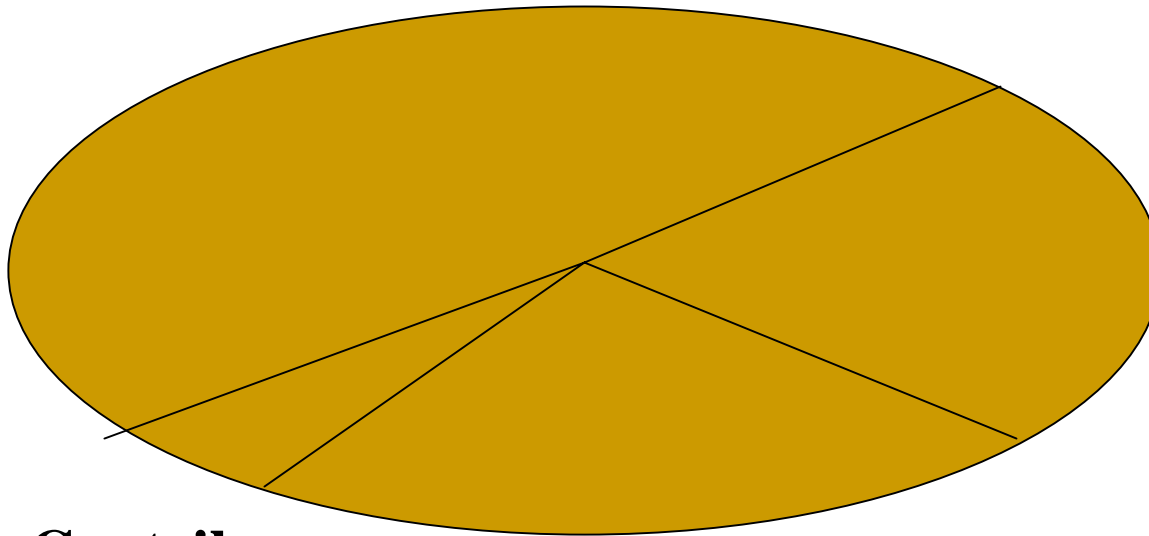
- Designs of major systems/processes
 - Breakthrough thinking processes
 - Problem Solving/Decision Making processes
 - Change plans
 - Systems thinking processes
 - Coordination/integration of priorities
 - Identification/resolution of system barriers and breakdowns
 - Local networks/image
 - ?
-

Performance Supporter: supporting people to ensure that the designs are executed.

- Performance unit results
- High performance work climate
- Cross-unit linkages
- A high performance capable workforce
- Individual performance support
- Team performance support
- Individual career support
- Individual development support
- Staffed work group
- Leadership role model
- ?

*How should **YOUR** pie be sliced?*

Process Leader



Architect

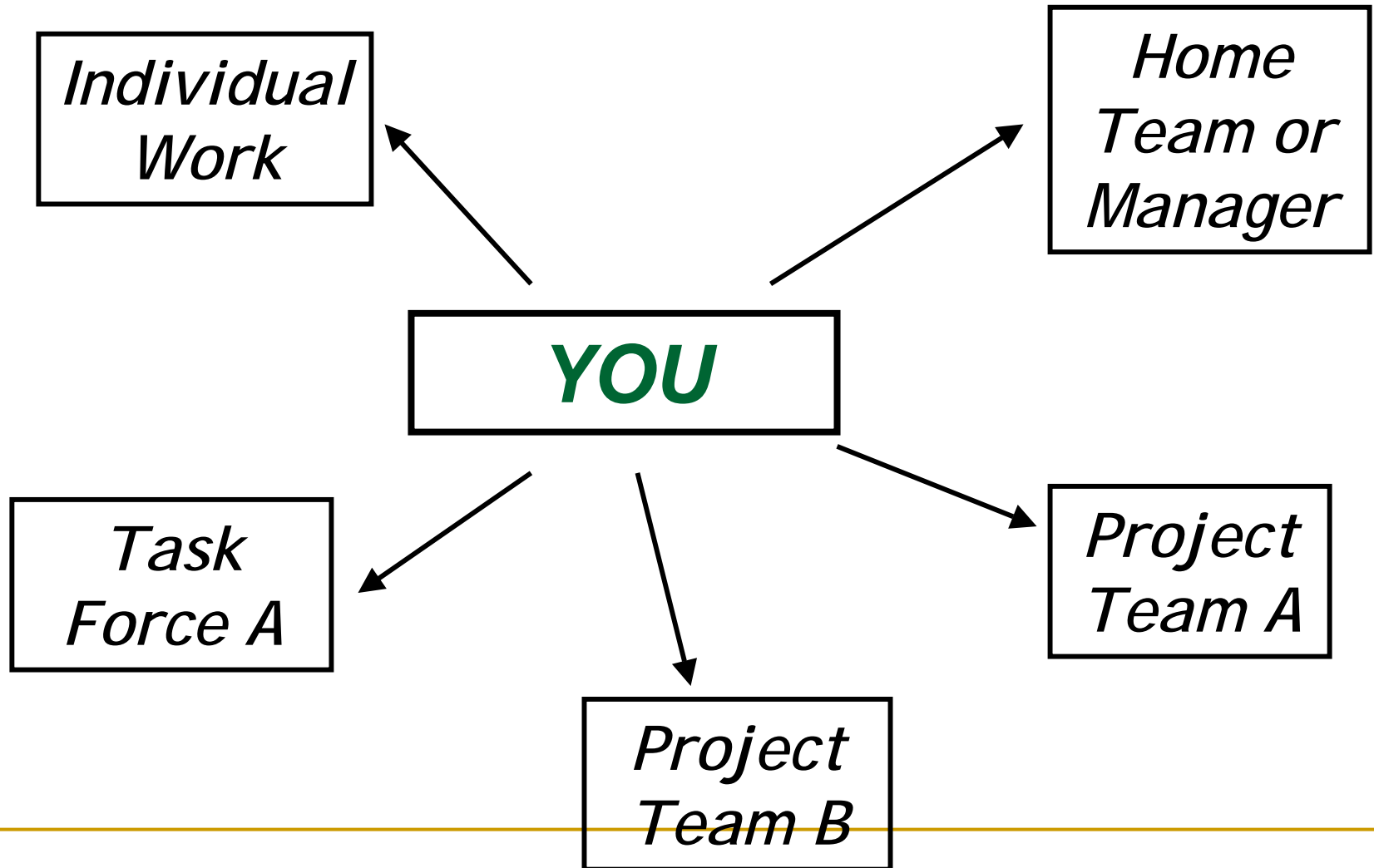
Ind. Contrib.

People/Perf. Supporter

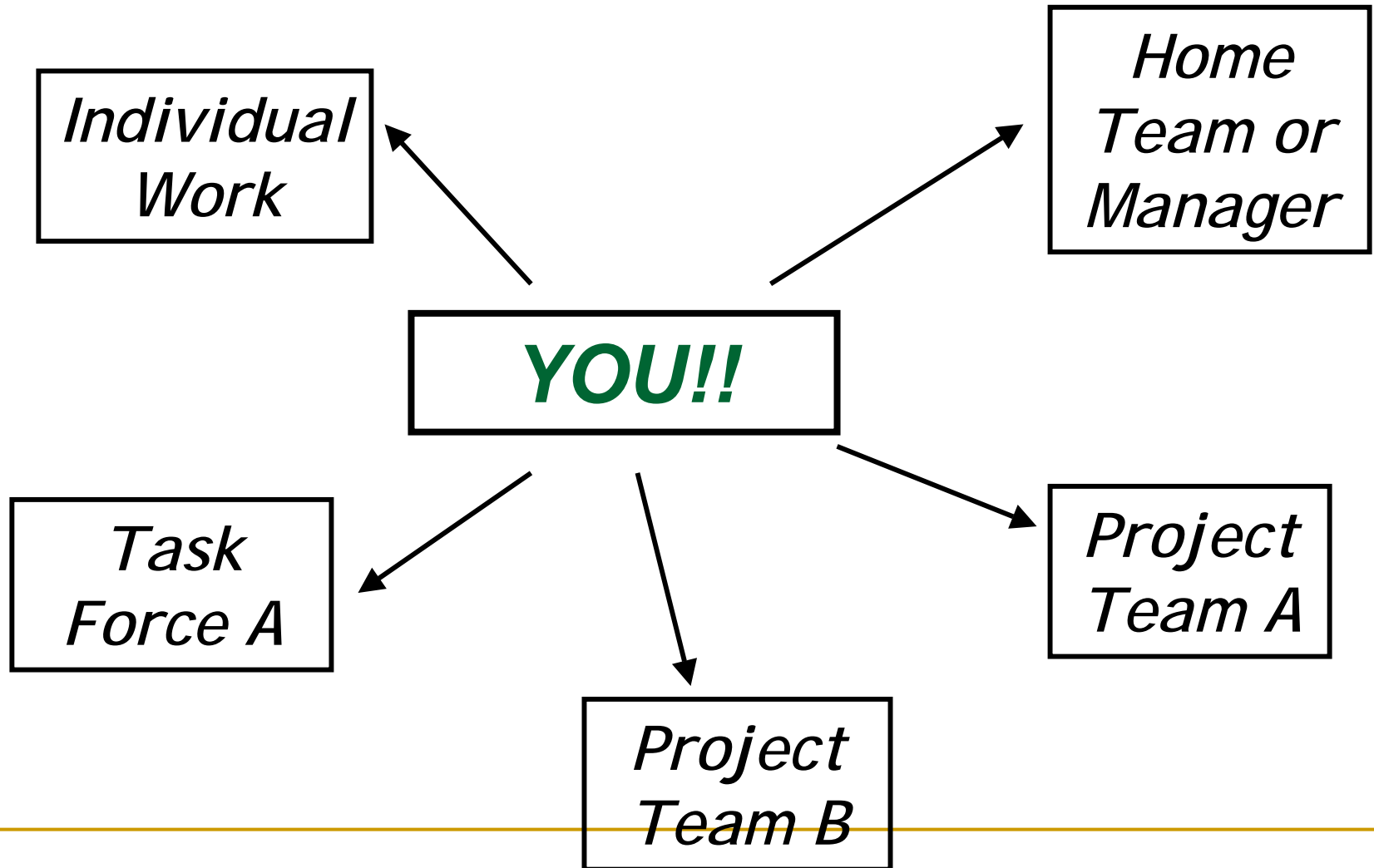
5 Suggestions to shift your “culture:”

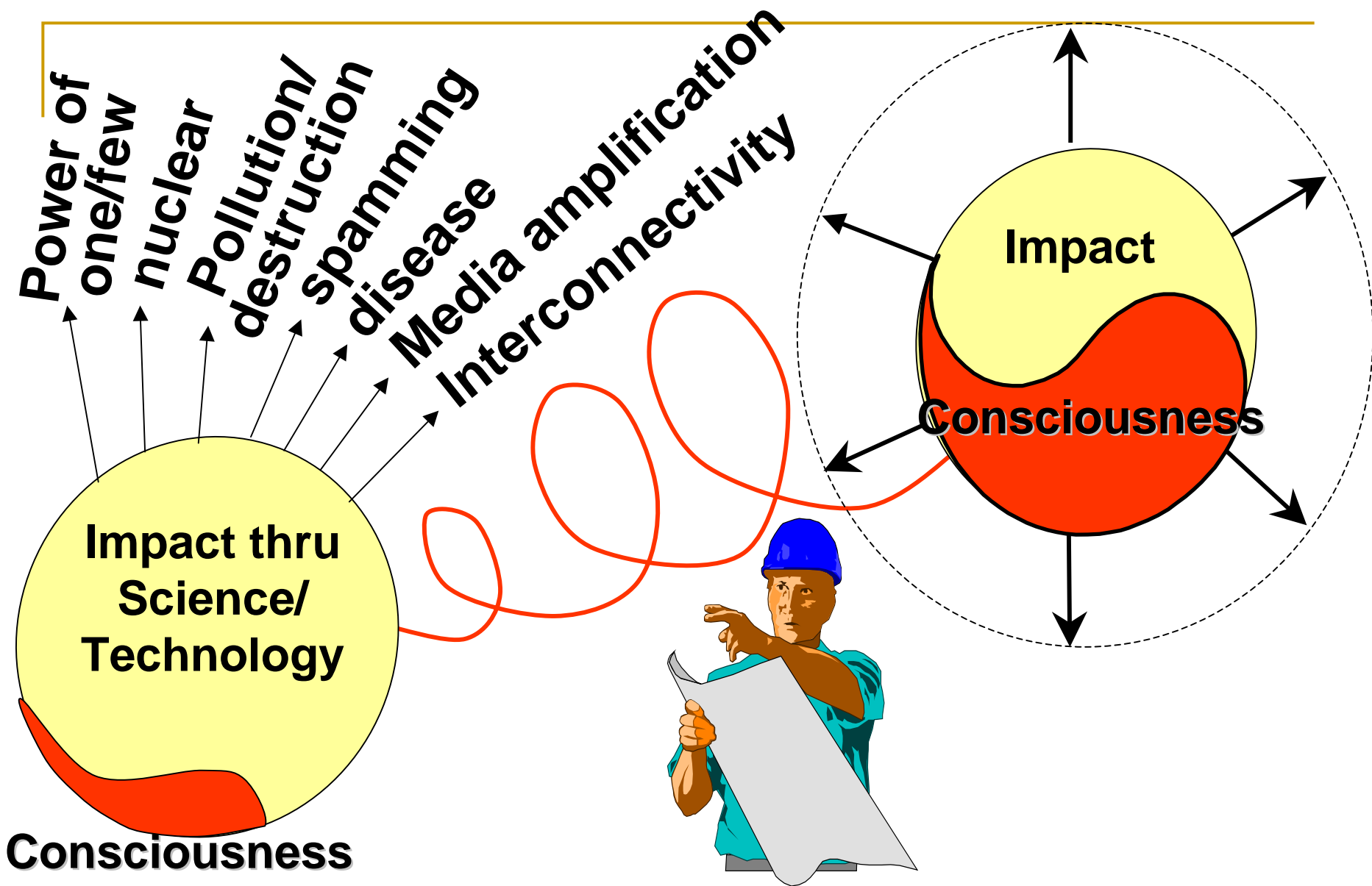
- **Adopt “partner” relationships**
 - **Professionalize management**
 - **Polish self-management skills**
-

How Work Occurs Today.....



Support self (portfolio) management





**Homo Sapiens Sapiens:
The Power of Intellect**

New WAYS OF THINKING for New Times

BELIEFS

- **Stability is normal**
- **Change is normal**



BELIEFS

- **Resistance sabotages**
- **Resistance is wake-up call**

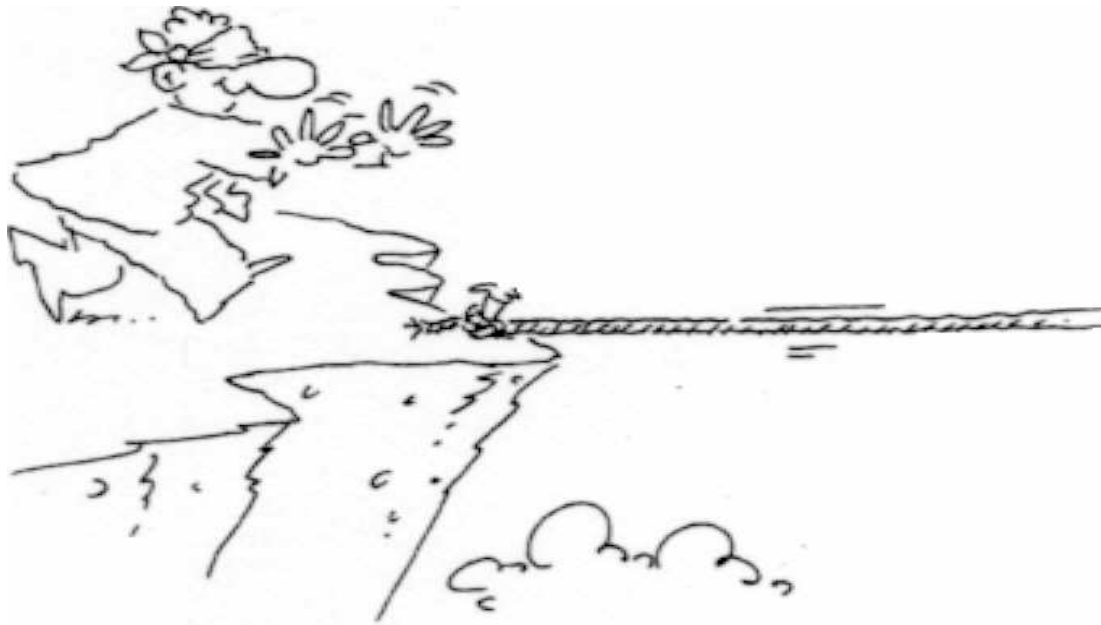




BELIEFS

➤ **Commitment follows success**

➤ **Commitment drives success**

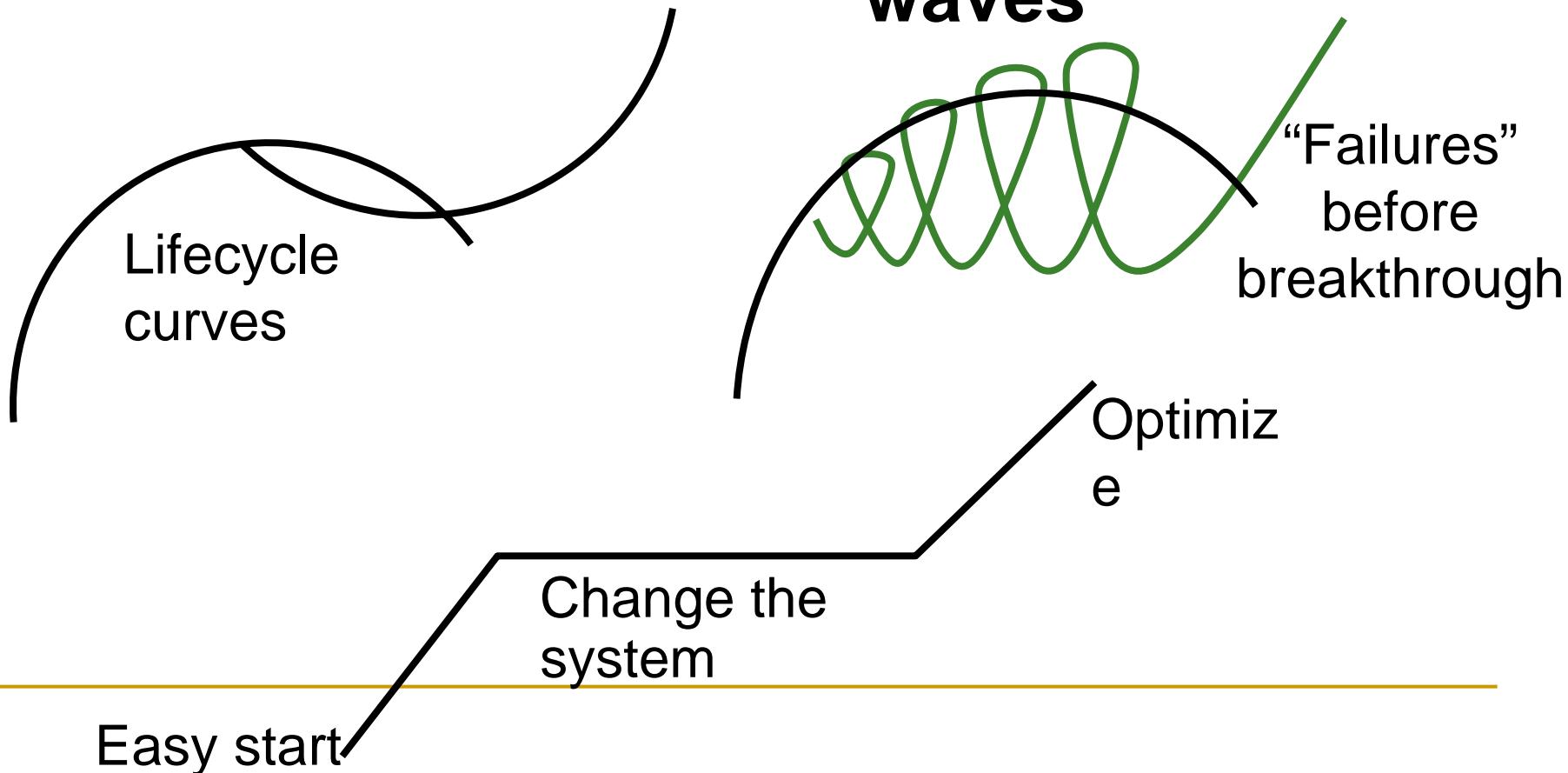


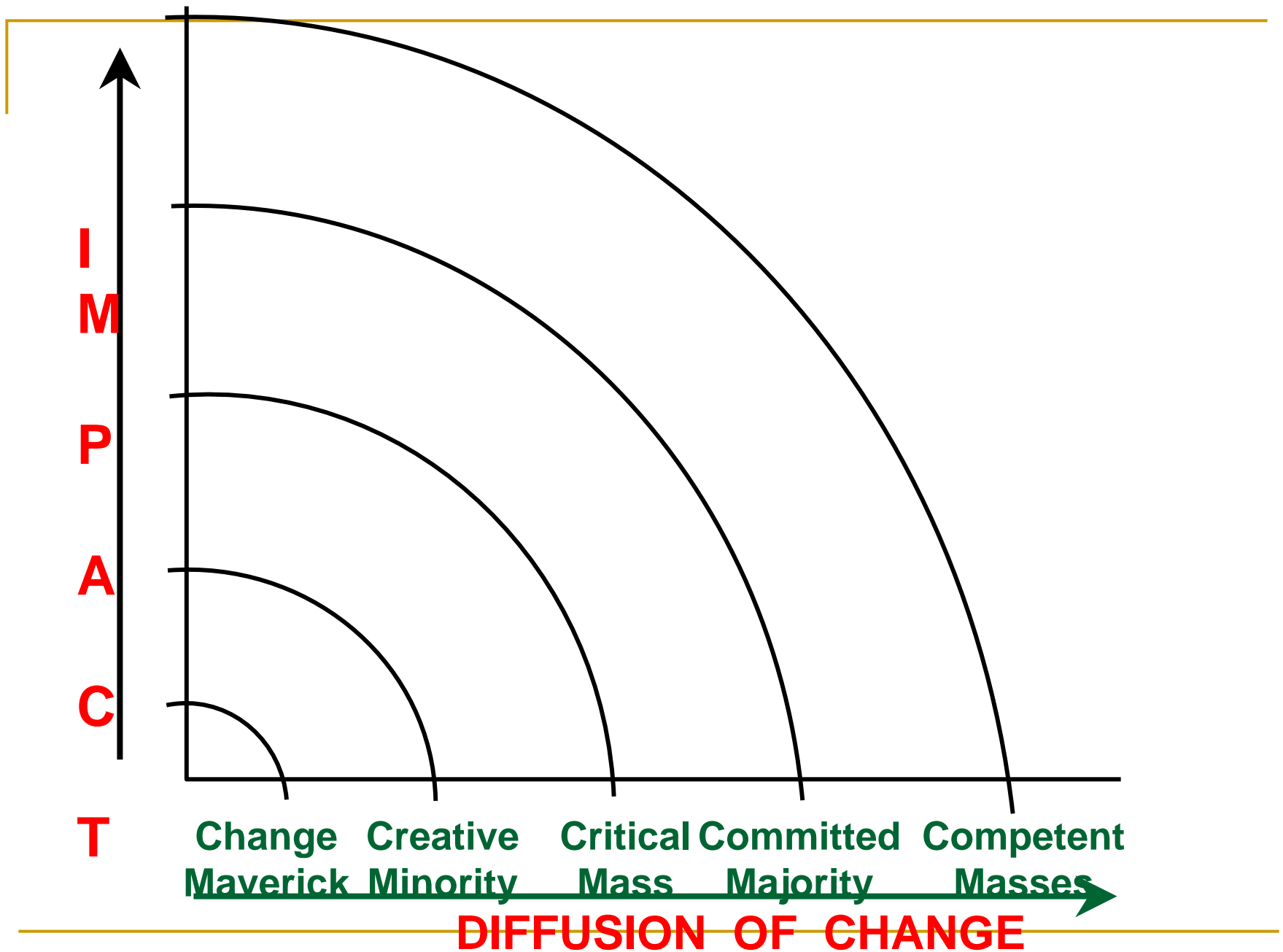
COMMITMENT IN UNCERTAINTY

BELIEFS

➤ **Change is linear**

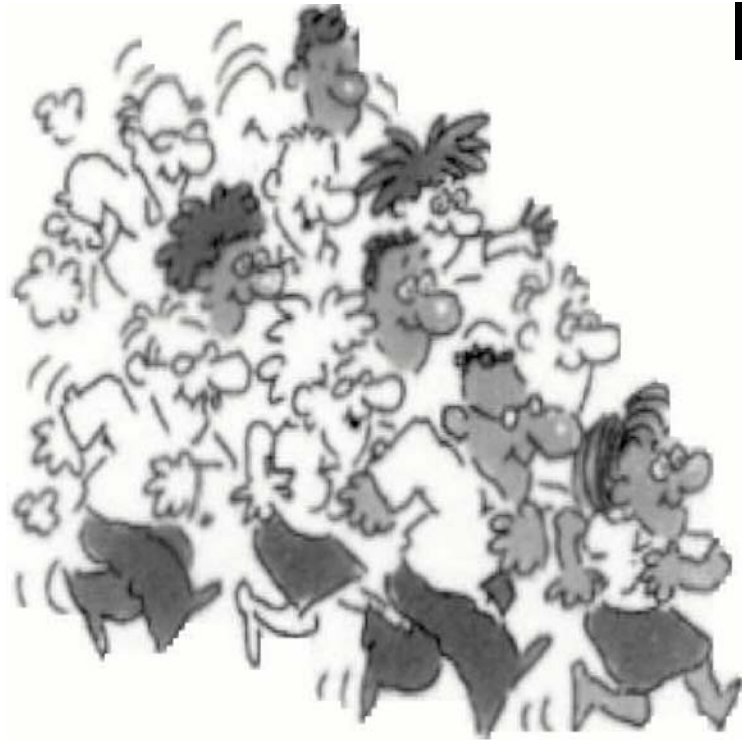
➤ **Change occurs in waves**





BELIEFS

➤ **Leaders are
“perfect”**



➤ **Leaders are
committed co-
learners**



BELIEFS

- Followers are instruments
- Followers are agents

????????

- The **REAL** strategy of GSFC is created by?
- The **MOST EFFECTIVE PEOPLE** to use in implementing change are?
- Most change that occurs in any institutions is **DRIVEN** by?

Change BELIEFS

- | | |
|---------------------------------|-------------------------------|
| ■ Stability is normal | * Change is normal |
| ■ Resistance sabotages | * Resistance wakes up |
| ■ Commitment follows | * Commitment precedes |
| ■ Change is linear | * Change in waves |
| ■ Leaders: “perfect” | * Leaders: co-learners |
| ■ Followers: instruments | * Followers: agents |
-

For Personal Success with Change

Character

- **Stand for something**
- **Be aware of beliefs**
- **Use emotions**
- **Add value in your world**

Actions

- **Be a business**
- **Develop information age skills**
- **Be your own HR manager**
- **Take charge of your change process**



5 Suggestions to shift your “culture:”

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 - **Use “partnership” management process**
-

Some Management Processes

- **Strategy System**
 - **Strategy Development**
 - **Strategy Implementation/Performance Management (goals, daily priorities, feedback)**
 - **Financial management**
 - **Decision making/Problem solving**
 - **Meetings**
-

Strategy System....

- **Strategy Development**
- **Strategy Implementation/Performance Management (goals, daily priorities, feedback)**
- **Financial management**

Conflicted? Dependent? Indep? Partner?

Some Management Processes

- **Strategy System**
 - **Strategy Development**
 - **Strategy Implementation/Performance Management (goals, daily priorities, feedback)**
 - **Financial management**
 - **Decision making/Problem solving – a TIP!**
 - **Meetings**
-

Be CLEAR about your decision process....

- **Independent?**
 - **Consultative?**
 - **Consensus?**
 - **Delegated?**
-

Some Management Processes

- **Strategy System**
 - **Strategy Development**
 - **Strategy Implementation/Performance Management (goals, daily priorities, feedback)**
 - **Financial management**
 - **Decision making/Problem solving – a TIP!**
 - **Meetings -- Tips**
-

Make Meetings More Participative

- List meeting outputs up front: together
 - List decisions to make – and type
 - Poll everyone's views
 - Give formal space to dissent, problems
 - Use meetings for decision-making and problem solving vs. presentations
 - Use a facilitator
-

5 Suggestions to shift your “culture:”

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-

What RANK
do you carry?

What **RANK**
do you carry?

And how do/can you
USE it?

5 Suggestions to shift your “culture:”

- **Adopt “partner” relationships**
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-

There is a lot at stake.....

“The day of democracy looks as if it has arrived: but it will prove to be a false dawn or a short spell of wintry light..”

A world which depends for survival on rapid revolutions in values and on a pace of change forced by breakneck technology is unsettling to most people and bewildering to many:....

*in this state of mind, electors
reach for '(people) of destiny and
prophets of order. ...*

In increasingly complex societies, struggling to cope with rising expectations, gigantic collective projects, baffling demographic imbalance and terrifying external threats.....

*...order and social control will
come to be more highly valued
than freedom.....*

...Western liberalism, enfeebled by its inconsistencies, seems bound to be wishy-washed away by a new wave of fascism...

...The authoritarian - and, hard behind, the totalitarian - right will start the new millennium in the strength of its near-monopoly of moral absolutism;....

*it (the totalitarian right) will have
the advantage of the appeal of
certainty in an uncertain world."*

Philippe Fernandez-Armesto,
Millennium 1995

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